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UNCLAS SECTION 01 OF 03 ABUJA 002333

SENSITIVE
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DEPARTMENT PASS TO USTR-AGAMA
DOE FOR GPERSON, CHAYLOCK

E.O. 12958: N/A

TAGS: [PGOV](#) [KDEM](#) [ECON](#) [EPET](#) [EFIN](#) [MOPS](#) [PHUM](#) [NI](#)

SUBJECT: NIGERIA: BI-WEEKLY POL/ECON UPDATES FOR NOVEMBER 1-14,
2008

¶1. (U) The Following is a US Mission Nigeria compilation of November
1-14 political/economic highlights, which did not feature in our
other reporting, covering:

--HIV/AIDS
--HUMAN RIGHTS
--CORRUPTION
--FISCAL RESPONSIBILITY
--SOUTHERN ECONOMIC NEWS
--DELTA INCIDENTS
--OIL AND GAS

HIV/AIDS

¶2. (SBU) According to a November 13 press article in the Punch,
Minister of State for Defense Fidelia Njeze reported that 94,000 HIV
cases were recorded in the Ministry of Defence's 24 medical centers
in the past 5 years. The comments were made during the visit of a
technical team from Walter Reed Army Institute of Research, and
Njeze was profuse in expressing her appreciation of the USG's active
role in fighting HIV/AIDS in the Nigerian military. Njeze didn't
give a specific breakdown of the data, so the numbers seem
shockingly high given an overall active duty strength of around
75,000 personnel; however, as Nigerian military medical centers
perform HIV testing for large numbers of civilians who live on or
near military bases, the actual number of infected military
personnel is probably far lower.

HUMAN RIGHTS

¶3. (U) NIGERIAN NAVY ABUSES CIVILIANS: Two naval officers were
arrested by the Ogun State Command Police for allegedly killing a
policeman and severely wounding another in a scuffle at a hotel in
Ota, Ogun State. The incident occurred less than two weeks after a
November 3 incident where six naval officers attached to the convoy
of the Chief of Naval Logistics Rear Admiral Harry Arogundade beat
and stripped the 27 year-old daughter of the National Assembly
Sergeant-at-Arms. The beating was caught on tape and can be found
on CNN's iReports at: <http://www.ireport.com/docs/DOC-134234>.

CORRUPTION

¶4. (U) RIBADU FACES SACK FOR LAWSUIT: On November 10, This Day
newspaper reported that former Economic and Financial Crimes
Commission (EFCC) chairman Mallam Nuhu Ribadu is challenging his

demotion by two ranks - from Assistant Inspector General of Police (AIG) to Deputy Commissioner of Police (DCP)-in a federal court. Police officials maintain that the Police Act does not permit a serving member of the police force to take legal action against Nigerian authorities. Ribadu's and other lawyers have countered that the former EFCC chairman's right to sue is guaranteed by the 1999 Constitution. A senior police officer reportedly said Ribadu will face disciplinary action because his lawsuit was not pre-approved by the Inspector General of the Police (IGP) in accordance with Nigerian Police Force regulations.

15. (U) EFCC FILES NEW EVIDENCE TO TRY FORMER AVIATION MINISTER: According to This Day newspaper the EFCC supplied fresh evidence to an Abuja high court on November 11 to try former Minister of Aviation, Dr. Babalola Borishade, and three others for alleged complicity in the USD 195 million Safe Tower project scam. Others being tried alongside the former minister include former Managing Director of the Nigerian Airspace Management Agency (NAMA), Roland Iyayi; former aide of Borishade, T.A Dairo; and Head of Operations of Avsatel Communications Limited, Mr. George Eider. The fresh evidence against the four was detailed in a 282-page document submitted to the court. Borishade was reported to have received 15,000 euros from Eider in the form of hotel accommodations and other gifts for awarding Avsatel Communications Ltd the "Safe Tower" contract in December 2005.

FISCAL RESPONSIBILITY

16. (U) GOVERNORS, FINANCE MINISTER DISCUSS FISCAL RESPONSIBILITY WITH MISSION: On November 10 Econ Couns, Acting Deputy AID Mission

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Director, AID Officer and head of USAID REFORMS project attended a meeting on state-level responsibility and procurement with Governors of Benue, Akwa Ibom, Sokoto, Kwara, Bauchi and Ekiti States chaired by Minister of Finance Usman. The Minister, governors and donor representatives agreed to set up a joint working group to harmonize and facilitate adoption and implementation of related legislation across the 36 states. Both the Minister and some of the governors emphasized the need for effective law and administration, while avoiding delays in executing budgets, the latter a problem at the federal level following adoption of the national fiscal responsibility law. The senior Nigerian officials also emphasized the importance of peer review and technical assistance from the donor community to move forward fiscal responsibility and effective procurement at all levels of government. Dr. Usman reported to the donor representatives that he was chairing a Presidential Committee to explore establishing a sovereign wealth fund, coordinating consideration of such a fund among the federal, state and local levels of government.

SOUTHERN ECONOMIC

17. (U) FLOATING HOTEL OPENS IN LAGOS: The long awaited yacht that will serve as the Lagos Sunborn Yacht Hotel docked at the Lagos Marina on November 8. The 5,000-ton vessel is a floating hotel with 105 luxury suites, bars, restaurants and a conference center. The hotel, acquired by the current Lagos State Government for USD 31 million, will be under private management when operational. A park and walkway along the marina waterfront facilitates pedestrian access to the ship.

Delta Incidents; No Americans Involved

18. (U) PORT HARCOURT ATTACKS: According to press reports, on November 3 a Lebanese employee of a construction company was kidnapped in Port Harcourt. A MEND spokesman denied responsibility but offered to mediate. In a separate incident the same day a Nigerian banker was kidnapped. No information was given about ransom payments in either case, but both hostages were released on November 6.

19. (U) RIVERS STATE ATTACKS: On November 8 the Nigerian press

reported that gunmen in eight boats had attacked the Chevron facilities at RobertKiri, but were driven off by the Joint Task Force (JTF) soldiers. The JTF claimed to have killed 12 of the attackers for the loss of one of their own men.

¶10. (U) SOME HOSTAGES RELEASED: On November 9 MEND announced the release of three Nigerian and one Ukrainian seamen held since September 9, when their oil supply vessel "Blue Ocean" was seized. Two British seamen of the international crew of 27 originally taken hostage are still being held. MEND says the British hostages will be held until the British government ends military assistance to the Nigerian government and Henry Okah, a militant leader now in Nigerian government custody, is released.

¶11. (U) OIL THEFT TANKER SEIZED: The Nigerian press reported that on November 14, the Nigerian Navy seized a "foreign vessel" manned by Filipinos and arrested the crew for illegal bunkering. There were no other details about under which country the vessel was flagged.

OIL AND GAS

¶12. (SBU) WELL REOPENINGS DOWN: On November 13 an executive with an oilfield service firm told Energyoff that international oil companies are slowing work to reopen shut-in wells in oilfields in Niger Delta swamp and near offshore because of falling oil prices. The executive said that requests by international oil companies to rent his equipment for reopening work have all but stopped. In comparison, six months ago he fielded ten orders a week for his equipment. His equipment remains fully booked for 2009, with international oil companies using it for maintenance of existing operational fields and local oil companies reopening small, individual wells the major companies have abandoned. (Note: International oil companies rent this equipment to support crews reopening dozens of wells in an oilfield; in contrast small local

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oil companies usually reopen only one or two wells then keep the equipment to use during initial production runs until permanent equipment can be installed. End Note.)

¶13. (SBU) TOTAL TESTING ENHANCED OIL RECOVERY: On November 13, the same executive said Total is using his equipment in Cameroon to test a new process for installing enhanced oil recovery equipment in aging oilfields. If successful, Total plans to use that process in its oilfields near Port Harcourt, Rivers State. Total is testing the process in neighboring Cameroon where operating costs are lower and security is better than in Nigeria. According to the executive, the enhanced oil recovery technique may lead to increased gas flaring as Total has no plans to re-inject or otherwise gather the associated natural gas resulting from increased production.

¶14. (SBU) KADUNA REFINERY MAINTENANCE BEGINS: On November 10, local papers reported that the Kaduna refinery will undergo a USD 2.9 billion turn around maintenance program from November 15 to mid January 2009. Kaduna had been one of Nigeria's two operating refineries, but it was forced offline in mid-October after the feedstock pipeline supplying crude oil from Warri was vandalized. The Warri refinery remains partially operational. The GON may be laying on stocks of imported refined products in anticipation of the holiday season when many Nigerians travel from cities to their home villages; local papers report that the wait times for tankers offloading gasoline at the Apapa import terminal in Lagos have increased in recent days. (Comment: Late last year, the Yar'Adua administration pushed the state oil company to reopen at least one refinery, even though scheduled maintenance had not been done. Previous attempts over the past few years to perform critical turn around maintenance at Nigerian refineries have failed in the face of massive corruption. The downstream units of international oil companies have shied away from bidding on the contracts because of the blatant demands for kickbacks from refinery officials. The result is refineries operating at reduced capacity and subject to intermittent outages. End Comment.)

SANDERS